

INTERNATIONAL PROFIT ASSOCIATES

SMALL BUSINESS RESEARCH BOARD (SBRB) STUDY

Retail Industry Study:

Taxes, General Economy, Costs of Energy / Fuel Greatest Concerns of Retailers According to Latest SBRB Study

Report indicates fewer than one-third of small retailers are considering expansion during the next 12 to 24 months. Owners to concentrate on providing more services, adding new products as well as improving staff training says report issued in conjunction with International Profit Associates.

NORTHFIELD, IL (July 13, 2007) – Taxes, the general state of the economy and energy / fuel costs were the three leading concerns of small retail businesses during the second quarter of 2007 according to the latest Small Business Research Board (SBRB) study released here today.

Owners of retail businesses responding to the nationwide poll co-sponsored by International Profit Associates (IPA) said health care costs and finding quality employees were included among the top five concerns.

IPA, with more than 1,800 professionals, is the largest privately-held provider of management consulting services to small and medium-size businesses in North America. IPA is based in Buffalo Grove, IL.

The quarterly poll of small business owners and managers also measured their interest in expanding their operations over the next 12 to 24 months. Only 31% of the respondents said they intend to expand during this period. Of those respondents, nearly 22% said they will add more services while slightly more than 20% said they will add new products.

Respondents to the poll also indicated they would expand at current locations (18.8%) or through the addition of new locations (also 18.8%). Enhanced customer services ranked fifth at with 14.4%.

The small business owners said improving staff training would be key to productivity improvements over the next 12 to 24 months. Adding more automation or technology, adding staff and enhancing their current automation and technology ranked second through fourth.

“In an environment that places a premium on the skill and capabilities of its employees in every aspect of the business, it is imperative that retailers create and implement training programs that are aimed at improving operational and sales issues as well as productivity,” said Gregg M. Steinberg, President of IPA.

The SBRB Retail Industry study also indicated that 51% of the respondents believe the economy will improve during the next 12 months at that 61% believe their revenues will

increase during the same period. Retailers intend to increase hiring to support their opinion. The survey results showed that 41% will add employees with 35% maintaining current staff levels.

This is the first study of the retail industry completed by the SBRB. The SBRB intends to continue with quarterly retail industry studies as it does for other industries such as manufacturing, construction and contracting and food processing.

The Small Business Research Board ascertains and reports the opinions of small business owners and managers on a wide variety of topics related to their own businesses as well as national and international issues that may impact their operations. The SBRB conducts these studies for the benefit of small business owners and managers. The SBRB also provides opportunities for third parties to gain real time insight into the attitudes of small businesses nationwide through the independently conducted research.

The latest information about the Small Business Research Board can be found at www.ipasbrb.com.

International Profit Associates, Inc. (IPA) is the largest privately-held provider of management consulting services to small and medium-size businesses in North America. IPA and its more than 1,800 professionals offer a wide range of proven and innovative methodologies to help businesses grow and prosper regardless of the economic cycle. IPA either provides directly or through its affiliated companies a comprehensive array of business advisory services, tax and estate planning services or merger, acquisition and other financial advisory services in the United States and Canada. More information about IPA can be found at www.ipa-iba.com.

**SBRB COMPARISONS:
ALL US SMALL BUSINESSES vs. RETAIL
Second Quarter 2007**

**SBRB Leading Business Issues
All US Small Businesses**

1. Taxes
2. General economic conditions
3. Cost of energy / fuel
4. Other
5. Health care costs

**SBRB Leading Business Issues
Retail Industry**

1. Taxes
2. General economic conditions (tied 2)
Cost of energy / fuel (tied 2)
4. Health care costs (tied 4)
Finding quality employees (tied 4)

SBRB Retail Industry Q2 2007 Opinions, Forecast

Outlook for the general economy is for the next twelve months

51%	Better
16%	Worse
33%	No Change

Revenue expectations for the next twelve months

44%	Increase of 10% or more
17%	Increase of less than 10%
29%	Will be about the same
7%	Decrease of less than 10%
3%	Decrease of 10% or more

Expectations for hiring new employees during next twelve months

41%	Increase hiring
11%	Decrease workforce
35%	Remain the same
13%	Unsure

Plan to expand your business during next 12 to 24 months

31%	Yes
69%	No

If planning expansion, will

21.8%	Provide more services
20.3%	Add new products
18.8%	Expand at current locations
18.8%	Add locations
14.4%	Enhance customer service
4.4%	Acquisition
1.5%	Other

Can best improve productivity by:

1. Improved staff training
2. Adding more automation or technology
3. Adding more staff
4. Improvements to existing automation
5. Implementing or enhancing employee incentive programs

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For more information about this poll, results of previous studies or other matters related to the SBRB, please contact Raymond D. Minkus, (847) 441-4192.